

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Land Division  
Honolulu, Hawaii 96813

December 11, 2009

Board of Land and Natural Resources  
State of Hawaii  
Honolulu, Hawaii

PSF No.: 09KD-117

KAUAI

Issuance of Revocable Permit to the Kauai Farmers Association,  
and Amend the Board's Prior Action of April 25, 2008 (Agenda  
Item D-1), Wailua, Lihue, Kauai, TMK: (4) 3-9-02: Portion 20

APPLICANT:

The Kauai Farmers Association, a Hawaii nonprofit corporation.

LEGAL REFERENCE:

Sections 171-13 and -55, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government land of Wailua, situated at Wailua, Lihue,  
Kauai, identified by Tax Map Key: (4) 3-9-02: Portion of 20 as shown  
on the attached map labeled Exhibit A.

AREA:

68 acres, more or less.

ZONING:

State Land Use District: Agricultural  
County of Kauai CZO: Agricultural

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the State Constitution: YES

CURRENT USE STATUS:

Vacant and unencumbered.

CHARACTER OF USE:

Agricultural purposes.

COMMENCEMENT DATE:

The first day of the month to be determined by the Chairperson.

MONTHLY RENTAL:

FOUR HUNDRED TWENTY EIGHT DOLLARS (\$428), as determined by in-house appraisal dated October 6, 2009. The Chairperson approved the appraisal review report.

COLLATERAL SECURITY DEPOSIT:

Twice the monthly rental.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with the "Division of Land Management's Environmental Impact Statement Exemption List", approved by the Environmental Council and dated April 28, 1986, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1 that states "Operations, repairs or maintenance of existing structures, facilities, equipment or topographical features, involving negligible or no expansion or change of use beyond that previously existing."

DCCA VERIFICATION:

Place of business registration confirmed:	YES
Registered business name confirmed:	YES
Applicant in good standing confirmed:	YES

REMARKS:

General Lease No. S-4412 (GLS-4412), issued to the Lihue Plantation Company, Ltd., encumbered the subject State land from 1974 to 2000. The lease covered over 6,500 acres of State lands primarily used for sugarcane cultivation. After a one-year lease holdover period granted by the Board, the plantation ceased its sugar operations in October 2000.

At its February 23, 2001, meeting, under agenda item D-11, the Board authorized the issuance of thirteen revocable permits covering about 5,800 acres formerly encumbered by GLS-4412. Seven permits were for pasture purposes and six permits for agriculture and pasture purposes.

Under a coexistence plan, approved by the Board at its May 23, 2008, meeting (agenda item D-3), the thirteen permittees agreed to give up portions of their permit areas totaling over 1,000 acres to the Green Energy Team LLC, which was issued Revocable Permit No. S-7461, approved by the Board at the same meeting, for tree farming purposes.

However, the subject 68 acres withdrawn from Revocable Permit No. S-7280 (RPS-7280) are irrigated lands, which typically are not used for tree farming purposes. Accordingly, the Board's approval of the coexistence plan was conditioned upon the 68 acres withdrawn from RPS-7280 being made available for use by future agriculture tenants. The Board also reduced the Green Energy Team LLC total acreage to 1,000 acres.

At its April 25, 2008, meeting, under agenda item D-1, the Board approved of and voted to recommend to the governor the set aside of 14 revocable permits to the Agribusiness Development Corporation, which included the 13 permits approved by the Board on February 23, 2001. Additionally, the 1,000 acres encumbered by Revocable Permit No. S-7461 to the Green Energy Team LLC and the subject 68 acres should also be set aside to ADC. Accordingly, amending the Board's action of April 25, 2008 (agenda item D-1), to include the 1,000 acres under Revocable Permit No. S-7461 to the Green Energy Team LLC and the subject 68 acres as part of the set aside to ADC would be in order.

The Applicant wants to revitalize Kauai's papaya industry and plans to use the 68 acres for papaya cultivation, which complies with the Board's directive of May 23, 2008, that the 68 acres be made available to agriculture tenants.

There are no other pending requests for the subject State land. The Applicant has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions.

RECOMMENDATION: That the Board:

1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200, HAR, this agricultural use of the subject State land will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.
2. Authorize the issuance of a revocable permit to the Kauai Farmers Association covering the subject area for diversified agricultural purposes under the terms and conditions cited above, which are by this reference incorporated herein and subject further to the following:
  - a. The standard terms and conditions of the most current revocable permit form, as may be amended from time to time.
  - b. Review and approval by the Department of the Attorney General.

- c. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
3. Amend its prior action of April 25, 2008, under agenda item D-1, by including the transfers of the subject revocable permit and Revocable Permit No. S-7461 to ADC. Except as amended herein all other terms and conditions contained in agenda item D-1 shall apply.

Respectfully Submitted,

*Gary Martin*

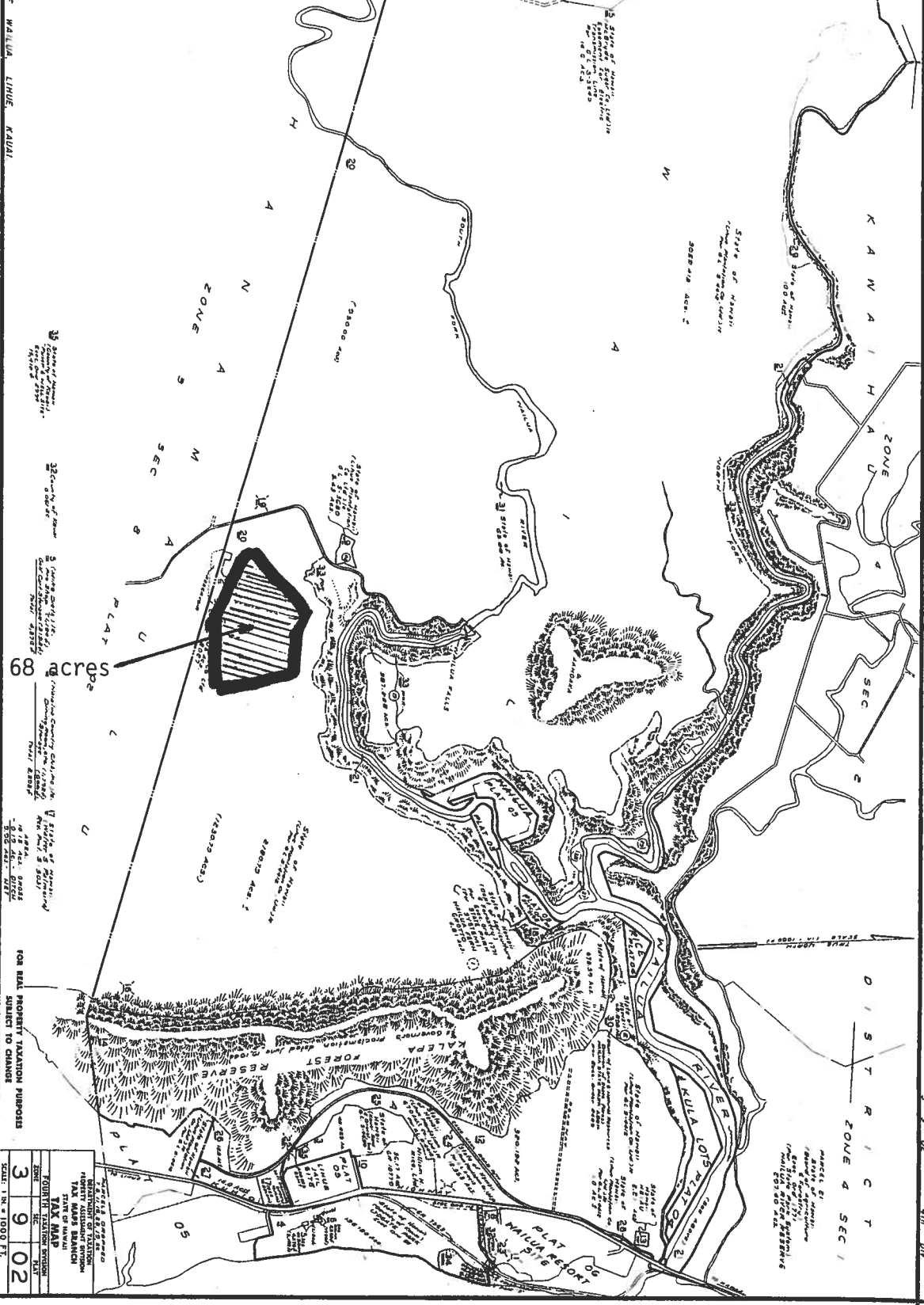
Gary Martin  
Land Agent

APPROVED FOR SUBMITTAL:

  
\_\_\_\_\_  
Laura H. Thiesen, Chairperson 

PUR OF WALLUA LINE, KAUAI

PLAT OF  
 LIHUE-KOLOA  
 FOREST RESERVE



Subject 68 acres

FOR REAL PROPERTY TAXATION PURPOSES  
 SUBJECT TO CHANGE

SECTION	TAX MAPS
3	9
0	2